THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) As per the approved criteria under the Scheme, three growth centres are to be set up in Assam. Of these, the centres at Chariduar (district Sonitpur) and at Matia (district Goalpara) have been approved by the Central Government. The Project Appraise report submitted by the State Government on the third centre proposed at Chaygaon (district Kamrup) is under consideration of the Central agencies.

(c) and (d) The entire cost of growth centres set up in the North-Eastern States will be borne by the Central Government, subject to a ceiling of Rs. 15 crore per centre. A total amount of Rs. 350 lakh has been released to Assam, of which Rs. 200 lakh is for the centre at Chariduar and Rs. 150 lakh for the centre at Matia.

**Involvement of State Governments in Boosting Exports**

330. DR. MOHAN BABU: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a proposal to involve State Governments in boosting exports is under consideration of Government;

(b) if so, the details thereof; and

(c) how tea export earnings would be divided/shared between the Centre and State Governments?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) The Government of India continuously strives to have participation of States in export promotion by way of provision of adequate and quality infrastructure, input support, relief from imports, removal of procedural and other constrains. States are also consulted on matters which are specific to them. In the Exim policy, there is a provision to recognise one agency of the State Government as Export House in relaxation of the criterion.

An Export Promotion Industrial Parks Scheme (EPIP) is being implemented in the country since 1993-94 under which 20 EPIPs have been set up in different States all over the country. A total sum of Rs. 152.26 crores has been released so far for the approved EPIPs.

A Critical Infrastructure Balance Scheme is also being implemented by the Ministry of Commerce and Industry under which assistance is provided to States and their agencies for strengthening the infrastructure and removal of bottlenecks to exports. An amount of Rs. 136.05 crores has been sanctioned

so far under the scheme for a total number of 67 projects/works.

Various Commodity Boards are implementing schemes for providing incentives and assistance for export through the State Governments.

(c) Under Rule 8 of the Income Tax Rules, income chargeable to tax from sale of tea grown and manufactured in India including export earning is apportioned between the States and the Centre in the ratio of 60:40.

**Crisis in paper and pulp industry**

†331. DR. GOPALRAO VITHALRAO PATIL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that 150 years old paper and pulp industry of the country is passing through difficult times for which main reasons are heavy cost on paper industry and non-availability of raw material in adequate quantity; and

(b) if so, the steps Government are going to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) The main problems being faced by the Paper and Pulp Industry are:—

(i) Inadequate availability and high cost of raw material.
(ii) Technological obsolescence.
(iii) Costly and inadequate availability of grid power.
(iv) Capital intensive nature of Industry.

The Government has taken number of steps to help the Paper and Pulp Industry, including the following:

(i) The industry has completely been delicensed, subject to the locational policy.
(ii) The induction of technology is allowed both FDI and through foreign technology collaborations.
(iii) A concessional excise duty of 8% is levied on paper manufactured with not less than 75% non-conventional raw material.
(iv) The excise duty on wood based paper and paper board has been brought down from 18% to 16% during 1999-2000.

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†Original notice of the Question was received in Hindi.